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**MARYLAND HEALTH CARE COMMISSION**

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March 26, 2019

**VIA E-MAIL AND REGULAR MAIL**

Robin Luxon, Senior Vice President  
Corporate Planning, Marketing and Business Development  
University of Maryland Upper Chesapeake Health System  
520 Upper Chesapeake Drive  
Bel Air, Maryland 21014

Re: Establish Specialty Psychiatric Hospital at  
Aberdeen  
Matter No. 18-12-2436

Dear Ms. Luxon:

Commission staff has reviewed the above-referenced application for a Certificate of Need ("CON"). Please respond to the following questions and requests for additional information or clarification.

**PART IV - CONSISTENCY WITH GENERAL REVIEW CRITERIA**

**a) The State Health Plan**

**COMAR 10.24.07, State Health Plan for Facilities and Services: Psychiatric Services**

**Standard AP 14**

1. Please submit the letters required by standard AP-14.

**COMAR 10.24.10, State Health Plan for Facilities and Services: Acute Care Hospital Services**

**Charity Care Policy**

2. Based on the information submitted, it is not possible to determine whether your charity care policy is in compliance with the “Determination of Probable Eligibility” subpart of this standard (COMAR 10.24.19.04(C)(5)(a)(i)). Describe how this determination is made, and what information is required in order to convey probable eligibility (as contrasted with what is required to make final determination).<sup>1</sup>  
If your review of your process and application forms do not comply with this standard, please revise it to do so.
3. You did not address the distribution of your charity care public notice (COMAR 10.24.19.04(C)(5)(a)(ii) ). Please provide a copy of this public notice and describe how you will disseminate it to your service area population on an annual basis.

**Bed Need**

4. The applicant is assuming a market share that is far larger than that of the unit it would succeed (at HMH). It also appears to assume that this new psychiatric facility would subsume the market share of Union Hospital of Cecil County (UHCC), which maintains an 11 bed psychiatric unit.
  - a) Please explain and justify these assumptions.
  - b) The original application that this submission modifies described a partnership that positioned UM UCH with UHCC to jointly address behavioral health issues in the region. Does that partnership still function?
  - c) If it is still functioning, identify the participants and describe their roles.
5. The applicant assumes that it would become a dominant provider of geriatric psychiatric care, and would essentially take business from other established programs. Please:
  - a) Discuss why you believe there is unmet need for gero-psychiatric inpatient care, and substantiate the statement in the application that: *geriatric patients who suffer from co-occurring medical and behavioral health diagnoses... currently receive treatment in MSGA units;*

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<sup>1</sup> Note that the standard requires a two-day turnaround for a determination of probable eligibility, which allows a patient to know their likely eligibility for charity care without having to retrieve documentation that might not be readily available. As long as there is a simple procedure to assess probable eligibility, it is acceptable for the facility to require documentation prior to granting a final determination of eligibility.

- b) Show where gero-psychiatric patients from the assumed market area are going now;
- c) Project the distribution of those patients if/when the proposed Upper Chesapeake freestanding psychiatric hospital project reaches maturity

**Cost Effectiveness**

- 6. The application states (p. 9) that the minimum FGI design standard for inpatient psychiatric rooms is 100 SF; the planned rooms are between 175 SF to 236 SF, which is substantially over this standard. Please justify this variance.
- 7. Describe where Upper Chesapeake is in the process of negotiations with HSCRC regarding its GBR proposal.
- 8. A complete cost analysis of replacing HMH is presented (p.52), but nothing comparable is shown for the other alternatives. Please provide more detail showing how the cost estimates were arrived at.
- 9. Option 4, the preferred option, proposes a total of 101 observation beds between the FMF and UCMC, despite the fact that utilization data reported to MHCC<sup>2</sup> shows a combined average daily census (ADC) for HMH and UCMC of just 43 in FY2018, and 44 in FY2017. Option 4 also proposes 40 psychiatric beds, double the current ADC at HMH. Justify the:
  - a) Need for so many observation beds.
  - b) 54% increase in psychiatric beds.
- 10. For the decision matrix presented in Table 23 (p. 56) describe in more detail how the different choices were weighted, and how the final conclusions were derived for each project.

**Viability**

- 11. Are there any physician staffing expenses for this project? There do not appear to be any shown in the work force Table L. Explain the plan for providing medical direction for this program. How many psychiatrists are on the staff of UM UCH?
- 12. Discuss the possible impacts associated with this facility being subject to the Institution for Mental Diseases (IMD) Medicaid exclusion.

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<sup>2</sup> MHCC "Fiscal Year 2018 Annual Report on Selected Maryland Acute Care and Special Hospital Services" survey shows an observation ADC at HMH of 12 and of 31 at UCMC. For FY2017 it was reported as 12 at HMH and 32 at UCMC.

**Impact on Existing Providers and the Health Care Delivery System**

13. The application states (p. 66) that this project will not impact other facilities but the proposed project expands the number of licensed psychiatric beds from 26 at HMH to 40 beds at the new psychiatric hospital. No mention is made of the potential impact on UHCC. In your previous proposal UHCC planned to close its unit creating a rationale for adding beds to those of HMH as the proposal to replace them was developed.
- a) Given that this new proposal has the same number of beds, describe why you do not anticipate that it will have an adverse impact on UHCC.
  - b) UC Behavioral Health is projected to increase its market share over the next several fiscal years (FY2022-FY2024). From what hospitals do you expect it will take this market share? Explain why you do not expect this to have an adverse impact on these facilities.

Please submit four copies of the responses to completeness questions and the additional information requested in this letter within ten working day of receipt. Also submit a response electronically, in both Word and PDF format, to Ruby Potter ([ruby.potter@maryland.gov](mailto:ruby.potter@maryland.gov)).

All information supplementing the application must be signed by person(s) available for cross-examination on the facts set forth in the supplementary information, who shall sign a statement as follows: "I hereby declare and affirm under the penalties of perjury that the facts stated in this application and its attachments are true and correct to the best of my knowledge, information, and belief."

Should you have any questions regarding this matter, feel free to contact either me at (410)764-8782 or Kevin McDonald at (410)764-5982.

Sincerely,



Eric N. Baker, Program Manager  
Certificate of Need  
Health Care Facilities Planning & Development

cc: Lyle E. Sheldon, President and CEO, UM Upper Chesapeake Health System  
Russell Moy, M.D., Acting Health Officer, Harford County  
James C. Buck, Esq., Gallagher, Evelius & Jones, L.L.P.  
Kevin McDonald